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Good morning, Mr. Chairman, and thank you for the opportunity to discuss how the Federal investment in rural development programs has impacted rural Pennsylvania.

Let me begin by confessing a personal bias. Now solidly in my third decade in agricultural and rural policy, I feel confident in stating that there is no harder working, nor more dedicated group of public servants than the staff of USDA's Rural Development Mission Area. It was a privilege to serve as the last Pennsylvania State Director of the Farmers Home Administration, and staff's ability to stay focused on the mission of serving rural people and communities made successful the transition to what is now Rural Development.

While I recognize that only those programs authorized through the Consolidated Farm and Rural Development Act (CONACT) are considered within the framework of the farm bill, I think it's important to take a more holistic view of rural economic and community development, looking at possible gaps and occasional cross purposes among government entities, and even among agencies of USDA. For one example, the "if we build it, they will come" approach to housing construction that I encountered when first arriving at Farmers Home Administration (FmHA) in 1993 – which placed entire Section 502 Single Family Housing developments in areas without public water or sewer, decent roads, schools and other community services – was wholly contrary to the farmland preservation efforts of USDA's Natural Resources Conservation Service, not to mention the Pennsylvania Department of Agriculture, which operates the largest farmland preservation program in the country.

Also, I recognize that this Subcommittee has certain jurisdictional assignments related to conservation, credit, rural development, and research. However, I find it impossible to think comprehensively about the wellbeing of rural communities without occasionally straying into hunger and nutrition assistance programs, international trade opportunities, biosecurity and other risk management considerations, forest products development, and, of course, production agriculture. Even in Pennsylvania, our 58,000 farm families remain the foundation of the rural economy. In many respects, the Rural Development title of the farm bill is as important to our producers as the commodity titles.

While I am most conversant in my own Pennsylvania-based experiences and I bleed Pennsylvania blue and gold, I don't want to lose sight of the nearly overwhelming destruction along the Gulf Coast and the uniqueness of several of Rural Development's programs in bringing a Federal solution to those devastated areas. I've stood in homes in the Appalachian region of Pennsylvania where the toilet was a hole cut in the kitchen floor (Fayette County) and where a porch falling off took the entire side of the house with it, leaving the occupant in an over-sized doll house with a tarp for one wall (Bedford County). Still, I can't even imagine the kind of devastation that rural communities in Louisiana and Mississippi are facing. Only Rural Development can offer home mortgages with interest that can be subsidized to one percent, 40-year loan repayment terms for infrastructure development, and grants to help the lowest-income communities afford essential emergency services and other basic facilities. The country needs

Rural Development's programs to be funded at a level that will allow the rebuilding process to move forward in rural Gulf Coast communities as it is in the City of New Orleans, without sacrificing Fayette or Bedford County Pennsylvania.

If a significant funding increase is simply impossible, then perhaps the Secretary can be given the authority for states affected by Hurricanes Katrina and Rita (and new catastrophes that might be forthcoming) to shift funds, not just among programs of individual Rural Development agencies as has been allowed for a decade now under the Rural Community Advancement Program, but across agency lines as well. If rural Louisiana needs to dedicate 80 percent of its total allocated Rural Development budget authority for the year to restoring clean drinking water, so be it.

From time to time, I have heard people comment that Rural Development isn't needed anymore. The Department of Housing and Urban Development offers loan guarantee programs for home ownership and Section 8 rental housing assistance for low-income tenants. The Economic Development Administration and other Department of Commerce programs are available for job creation and retention. Electricity and telephones are available throughout the country now, so there's no need to maintain Federal support of rural electric and telephone cooperatives. Those and other cooperatives are big business now, and continued Federal investment isn't necessary.

I couldn't disagree more.

Rural Development stands alone in the Federal framework as the only entity with the ability to bring all of these things together in a comprehensive, coordinated approach, serving rural communities that – unlike their urban and suburban counterparts – largely depend on part-time and volunteer staff. Rural Development alone has the field structure to provide direct assistance in planning for a community's future, and the variety of program resources to help make that future real. Sometimes, it's been too easy to get tunnel vision on one program versus another and, going back to my housing development example, they haven't always acted in a coordinated strategic fashion, but they remain the only Federal entity with the capacity to do so. This enables a careful use of taxpayer funds to facilitate communities' and individuals' ability to invest in themselves. There's an old saying that, "if all you have is a hammer, you make all your problems look like nails". When a rural community seeks help from Rural Development, its residents are getting the hammer along with a full set of screwdrivers, a drill, and a table saw.

Rural Development, as a mission area within USDA, also stands as a bridge between those other agencies and agriculture. This is particularly true since the 2002 farm bill created several agricultural grant programs in the Rural Business-Cooperative Service, made provisions for farmer-owned cooperatives in the Business and Industry Loan Guarantee program, and finally established legislative authority for the important work of the National Rural Development Partnership and State Rural Development Councils.

Still, I am worried for Rural Development's future. When I came on board with USDA in May 1993, I joined a staff of 248 employees dispersed over 43 offices. When I left Pennsylvania in March 2000 to accept a detail to Washington, DC as the Acting Associate Administrator of Rural Housing Service, I left behind a staff of 127 employees dispersed over 12 offices. Getting from one point to the other was a series of reorganizations, restructurings, and downsizings which I will never forget. In fairness, about 60 of those employees simply moved to the new Farm Service Agency when it was created from the legacy Agricultural Stabilization and Conservation Service and the farm loan programs of FmHA. But, in far too many cases, the result was the loss of experienced, dedicated employees from Federal service.

The upside of all that restructuring, to the extent there was one, was that closing three-quarters of Pennsylvania's Rural Development offices took my annual leasing costs from around $750,000 to about $400,000. This allowed me to redirect those funds into technology and training to make the remaining workforce as mobile and agile as possible. At first, I thought my legacy as a State Director would be making rural Pennsylvania a better place. In time, I realized that this was my staff's legacy. My legacy – aside from being the one who closed all those offices – was that every loan officer in Rural Development in Pennsylvania had a laptop computer running the same versions of the same software and a portable printer. And, every employee received at least two weeks of training in Microsoft Office as well as program-specific software packages. Unfortunately, my understanding is that Pennsylvania remains among the minority of states where this has taken place.

With the tools for mobility and sister agencies still in 50 USDA Service Centers, Rural Development loan officers actually could serve clients in more locations, including the client's home or place of business, than had been the case before all the restructuring started. Basic informational materials on Rural Development programs also were available to the public in all 50 Service Centers, and Farm Service Agency employees were very generous in helping walk-in customers get in contact with the closest Rural Development loan officer. Still, as I read articles on the growing budget deficit, and know how few non-defense discretionary places there are in the Federal budget to cut, I worry about what's next for Rural Development, and the rest of USDA's Service Center agencies. HUD has offices in Philadelphia and Pittsburgh, and has deemed Pennsylvania "covered". USDA could not make the same claim. Program effectiveness will suffer if farms and rural communities lose access to the people of USDA.

Of course, being able to serve rural America begins with an understanding of what *rural* America is. Before I get into specific programs in the Rural Development Mission Area, I want to emphasize that the next farm bill should establish a single definition of the term "rural", preferably one that moves away from a hard and fast total population limit and towards other characteristics of rurality, such as population density per square mile of the area in question versus the statewide average, or even the number of electric utility subscribers per square mile compared to a statewide or national average. Section 6020 of the 2002 farm bill defined "rural" as follows:

> ***SEC. 6020. DEFINITION OF RURAL AND RURAL AREA.***
> *(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:*
> *''(13) RURAL AND RURAL AREA.—*
> *''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms 'rural' and 'rural area' mean any area other than—*
> *''(i) a city or town that has a population of greater than* ***50,000 inhabitants; and***
> ***''(ii) the urbanized area contiguous and adjacent to such a city or town****.*
> *''(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—*

> *For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than **10,000 inhabitants**.*
> *''(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and(24) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of not more than **20,000 inhabitants**.*
> *''(D) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS;NATIONAL RURAL DEVELOPMENT PARTNERSHIP.— In sections 306(a)(23) and 378, the term 'rural area' means—*
> *''(i) all the territory of a State that is **not within the boundary of any standard metropolitan statistical area**; and*
> *''(ii) all territory within any standard metropolitan statistical area within a census tract having a **population density of less than 20 persons per square mile**, as determined by the Secretary according to the most recent census of the United States as of any date.*
> *''(E) RURAL BUSINESS INVESTMENT PROGRAM.—In subtitle H, the term 'rural area' means an area that is located—*
> *''(i) outside a standard metropolitan statistical area; or*
> *''(ii) within a community that has a population of **50,000 inhabitants or less**.''.*
> (Emphasis added.)

Unfortunately, that was actually an improvement. You can imagine the reaction of a developer who simply asks to know whether an area is rural or not when the response is, "well, it depends – maybe it is, and maybe it isn't".

If we must stay with population-based definition, and particularly if budget implications require that we stay with more than one population-based definition, I would recommend that Congress at the very least put all of the Rural Business-Cooperative Service's programs on equal footing, using the definition adopted for the Rural Business Investment Program of simply 50,000 inhabitants or less (paragraph (E) above). This is because the language of clause (A)(ii), adding "the urbanized area contiguous and adjacent to such a city or town", has led to some absurd results in states like Pennsylvania with many small towns proximate to urban centers. The same geography that allows Pennsylvania farmers to rank third in the nation in direct sales to consumers hampers Rural Development's ability to serve small communities. There are a number of areas in Pennsylvania, particularly in southwestern Pennsylvania near Pittsburgh, where economically struggling small towns have been served with sewers and water treatment projects because their population is less than 10,000, but where business owners in the same town cannot be served – despite the 50,000 population threshold – because of their small town's proximity to an urban area. When you're trying to be strategic with taxpayers' resources, this kind of thing can drive you crazy.

<u>Rural Housing Service</u>

Again, the Section 502 direct home ownership loan program is unique in the Federal government, providing interest rate subsidies for home ownership that can go as low as one percent. Subsidies may be subject to recapture when the home is sold, discouraging speculators who might otherwise take unfair advantage of the program and the taxpayers. In my tenure as State Director, the majority of these loans were made to single mothers struggling to provide their children with decent housing and a safe environment in which to grow up.

Since I left USDA in 2001, statewide average land prices in Pennsylvania have jumped nearly 50 percent. This is a daily struggle in keeping land in agriculture, when it sells for several times the amount per acre for development purposes as a farmer could earn growing a crop on those acres. It's also meant that fewer families can be served with a static funding level for direct housing loans, particularly since construction materials and other costs have gone up, too. Coupled with the continued dearth of available, affordable rental housing in rural areas, the number of families who spend entirely too much for housing, leaving them less to spend on heat, food, and other essentials, continues to climb.

The Section 504 program, offering one-percent interest loans to persons below 50 percent of median income in their county (and grants for the elderly) to repair and upgrade their homes, tap into public water and sewer projects, and the like, also is unique. Unfortunately, this program has not been made available to a group of rural homeowners who, even though they might meet the income eligibility requirements, are considered too "rich" to qualify for the low-interest loans. Of course, I'm speaking of farmers. Many of Pennsylvania's 58,000 farm families are living in homes that would not meet the thermal standards of the Section 502 program, and 61 percent of our state's farmers, as USDA defines that term, have gross annual sales below $10,000. Many have off-farm jobs and significantly higher total household income, but others are retirees who could really benefit from the Section 504 program to better insulate their homes, replace windows and aging furnaces, etc. As a State Director, I approached the national office staff of Rural Housing Service to inquire whether something could be done to allow income-eligible farmers into the program. The response I got was that they should sell off a few acres for development and use the money to fix their own homes. For Pennsylvania, and other states battling urban sprawl, that is simply the wrong answer. The individual with whom I dealt on this issue has since left USDA for the Department of Housing and Urban Development. I'm sure she's much happier there.

As I alluded to above, there remains a need for affordable rural rental housing, despite the funding levels in the Section 515 rental housing program being too low for nearly a decade now to keep field staff trained in how to process applications and administer the program. There appears to be a wholesale dismantling of the existing portfolio, as well, as developers look to get out from under commitments to keep rental rates affordable on aging properties in need of major improvements.

The Community Facilities (CF) program is one of the most flexible tools in the Federal toolbox, and as HUD's Community Development Block Grant (CDBG) funds diminish, the 40-year repayment terms and responsive interest rates will make the competition for Community Facilities funds even greater. Pennsylvania is home to 1,000 boroughs and some 1,500 townships. They, along with a few dozen smaller cities that meet the population-based eligibility criterion for CF, all have the need for: first responders' equipment and vehicles, plus buildings in which to store equipment and vehicles; health care facilities, including technology for connecting with other health care facilities; schools that are structurally sound and have capacity for 21st century instruction methods; and non-profit organizations with few other borrowing options that want to build libraries, homeless shelters, and meet other community needs. The backlog of CF applications in Pennsylvania is significant, and additional funding should be provided to this program. The cost to the taxpayers of the CF loan program is pennies compared to the dollars needed for a grant program like CDBG. CF is a cost-effective way to help rural communities invest in themselves, and provide a return to taxpayers as the loan is repaid with interest.

The CF Loan Guarantee Program could be a more viable product for lenders and borrowers if a guarantee could be granted on tax exempt bond issuances, such as those of the Pennsylvania Department of Community and Economic Development. This would allow the program to assist applicants that cannot afford commercial rates but may otherwise have the financial strength to be successful. This would also remove some of the demand on limited Direct Loan resources, since leveraging state bond issues with private funds and placing a guarantee on the whole package could make overall interest rates more affordable for more applicants.

The Farm Labor Housing program has not been funded for years, yet the need for farmers to provide decent housing to seasonal and migrant laborers has not diminished. In fact, the quality of housing may well be a factor in farmers' ability to attract and retain workers. If this is not the right program to do the job, then I would recommend that the farm bill include direction to the Secretary to determine what the right type of assistance might be. Pennsylvania's Secretary of Agriculture, Dennis Wolff, has convened a Seasonal Farm Labor Advisory Committee to examine this and other labor issues facing agriculture. We will gladly provide Secretary Johanns with that committee's work product.

Rural Utilities Service

I mentioned earlier my dismay at discovering that Section 502 Single Family Housing construction frequently converted prime farmland for housing developments that lacked water, sewer, and other basic infrastructure. As a State Director, I had some ability to influence that by encouraging the housing program staff to target their resources to communities where the water and sewer program staff had already been. I believe that this sort of policy should be instituted at the national level. Priority should be given to housing projects that redevelop existing areas with infrastructure in place, or where a community's plan for development calls for developing infrastructure before or concurrently with housing. There are areas all over the country where unplanned sprawl and loss of farmland has begun with a Federally-subsidized housing project – all the more frustrating when that subsidy came from the Department of Agriculture.

Despite significant allocations of Water and Wastewater Disposal Program funds, and a companion agency at the state level called the Pennsylvania Infrastructure Investment Authority, or PENNVEST, Pennsylvania still leads the nation in the number of rural citizens not served by public water and sewers. As with the CF program, I believe that many more projects could be reached if the Water and Wastewater Disposal Loan Guarantee program could be used in conjunction with states' tax exempt bond issuances.

More communities would resolve their problems with malfunctioning on-lot septic systems before the Pennsylvania Department of Environmental Protection shut down their ability to develop new housing if the Water and Wastewater Disposal Program's intermediate and poverty-level interest rates could be set as a percentage of market rate rather than using fixed poverty rate. The same could be said for the RHS Community Facilities program.

The other major area of emphasis with respect the Rural Utilities Service are the legacy programs of the former Rural Electrification Administration assisting rural telephone companies and even rural electric cooperatives with providing access to broadband telecommunications. There are so many services and economic development opportunities missed by having to rely on a long-distance call through a dial-up modem to get access to the Internet. Our technology companies should be looking for call center sites in New Florence, Pennsylvania, not New Delhi, India. A business owner shouldn't have to live in a metropolitan area to take advantage of the largest business development curriculum available for free on-line from Kutztown University's Small Business Development Center. A farmer should be able to check commodities markets in real time. I could go on and on, including ensuring that rural citizens can benefit equally from e-government initiatives.

In considering where to go on this issue in the next farm bill, I would encourage you to consider additional incentives for development of wireless technologies, since it may never be cost-effective to provide T-1 lines in rural areas – just as it was not cost-effective for cable television in rural areas or even telephone and electric lines without a significant investment of Federal subsidies. Wireless phone service is slowly getting better in rural Pennsylvania, but there are still whole regions of the state without service. Wireless Internet access, whether through wireless networks, ricochet-type systems, or satellites, might help rural America catch up with its urban and suburban neighbors who have had broadband access through DSL and cable TV modems for several years now.

<u>Rural Business – Cooperative Service</u>

In a state like Pennsylvania, with small diversified farm operations, access to large consumer bases, and a renewable energy portfolio standard[1], RBS programs can be as important to farmers as those of any other USDA agency.

The Business and Industry Loan Guarantee program, has been very active in Pennsylvania over the last decade. And Rural Development staff continue to explore ways to partner that program with other funding, such as the Pennsylvania Industrial Development Authority (PIDA), on which I represent the Secretary of Agriculture. After some effort, PIDA was approved about a year ago to pursue a loan guarantee from Rural Development for borrowers in eligible areas. However, the two-percent loan guarantee fee has been a deterrent to actually seeking a guarantee for the roughly half-dozen projects PIDA has financed since then that would have otherwise been eligible. The Business and Industry Loan Guarantee program is a great product, but it must be competitively priced or lenders will look elsewhere for assurances, such as to the Pennsylvania Economic Development Financing Authority, on which I also represent the Secretary of Agriculture. I believe the program would be more effective in reaching particularly start-up companies if the guarantee fee were back at one percent. Similarly, fees in other Rural Development loan guarantee programs should not compromise the program's appeal and utility.

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[1] Pennsylvania's Alternative Energy Act of 2004 provides a 15-year implementation period after which 8% of electricity sold in the state must be generated from truly renewable sources, such as solar or wind power, and 10% from a second tier that includes conversion of agricultural wastes and by-products, such as manure digesters or co-firing waste coal piles with low-grade wood.

Pennsylvania was one of 10 states to be awarded an Agricultural Innovation Center grant, a team effort between Penn State University's Cooperative Extension Service and the Department of Agriculture. Unfortunately, with only one year of funding appropriated, by the time we hit full stride with services to farmers interested in value-added initiatives, it was time to wind down the operation and lay off the Extension employees who had been hired in the field. Had we known the funding to be a once-and-done arrangement, I believe we would have approached the process quite differently, and more of the money that was invested would have gone into value-added projects rather than ramping up the center's staffing and administration. The advisory board still meets monthly to compare notes on projects underway and to look for additional funding sources to move projects forward. Absent a longer-term funding commitment, this program should not be reauthorized in the next farm bill. Rather, funds available should stay dedicated to the Value-Added Producer Grant program (VAPG).

Pennsylvania also is home to a cooperative development center funded through the Rural Cooperative Development Grant (RCDG) program. In fact, I was the Keystone Development Center's first Executive Director, and its only employee until a few months before I left three years ago to take my current position. Keystone now has an Executive Director and four additional part-time employees, is truly statewide in its reach, and has been able to develop additional funding from several other sources, among them the Pennsylvania Department of Agriculture. As you might expect, I think RCDG is a terrific program that should be reauthorized in the next farm bill. Through that program and the Center's work, a group of disabled rural residents in Berks County have a transportation cooperative through which they share a van, giving them access to jobs, social services and recreational opportunities not available to them before. A group of Amish farmers have established a cooperative to market their specialty cheeses, home-baked breads, jams, and pickles. A specialty food cooperative has moved out of a home-owner's garage and into a municipal building with truck access and a lighted parking lot. A group of turkey growers are investigating the feasibility of buying the processing plant with which they've been under contract. The examples go on and on. The RCDG program actually returns dividends to local and federal governments in the form of job creation, new wealth, and new tax revenues. It is one of very few programs whose primary focus is developing capacity for business creation. Federal funding is leveraged by significant matching funds from the centers, increasing the resources available to rural communities across the country for cooperatives that do everything from senior housing to health care to farmers markets.

One of the real challenges in the RCDG program, though, is the annual funding cycle. Just as with the Agricultural Innovation Center grants, RCDG grantees run the risk of getting ramped up only to shut down the following year if their grant application is not selected for some reason.

In the 2002 farm bill, Congress recognized that it can take several years for a cooperative to form and emerge as a functioning business. Section 6017 states that when Business & Industry Loan Guarantees are issued for the purchase of cooperative stock for an agricultural commodity processing facility, the actual processing can be contracted out for as long as five years to give the co-op sufficient time to plan and build its own facility. That same logic needs to apply to other cooperatives developed by the centers and to the centers themselves. Start-up centers need time to build capacity, develop a reputation for helping rural citizens meet their shared needs through cooperatives, and attract other funding sources, including developing fee-based services. I strongly recommend that the next farm bill provide at least three, if not five-year funding cycles for cooperative development centers.

The Rural Business Enterprise Grant (RBEG) program is currently the only RBS grant program funded sufficiently to allow individual state allocations. Still, of the 45 RBEG applications totaling $3,797,864 submitted for Fiscal Year 2006 funds, only 10 projects were able to receive funding from Pennsylvania's $914,000 allocation. The funding shortfall in RBEG is particularly distressing since this is the only one of Rural Development's programs that can fund workforce development types of activities – a critical need in rural areas, including agriculture.

The Intermediary Relending Program (IRP) is another excellent program that creates jobs in rural communities and returns dollars to the tax rolls, but is funded at a level that keeps the program one of the Federal government's best-kept secrets. In Pennsylvania, each of the seven Local Development Districts chartered by the Appalachian Regional Commission has participated in the IRP program, most having paid off their initial one-percent loans. There are many potential intermediaries among Pennsylvania's myriad regional and county-based economic development entities, and several specific areas where an additional IRP project would be welcome. Among them is production agriculture, which can access participation loans for small businesses from the Commonwealth, but in many areas of Pennsylvania, farmers struggle to find private lenders willing to finance the rest of an agricultural project. We have had some success in pairing these state programs with loans from the Farm Service Agency, but again, funding levels are a problem.

Since the advent of the Section 9006 Renewable Energy and Energy Efficiency Improvements Grant and Loan Program in the 2002 farm bill, Pennsylvania has obtained funding for six projects, including four anaerobic digesters on dairy farms, a soy oil extraction plant and the nation's first large scale geothermal system in the City of Bradford. Also, Rural Development provided funding in the form of a $4.995 million Business and Industry Loan Guarantee and a $450,000 Value-Added Producer Grant for a $10.55 million project for Keystone Potato Products. The Keystone Potato Products facility is the first potato dehydration plant on the East Coast. The plant processes low grade potatoes that are too small for chipping or not quite the right color into potato flakes. Instead of getting nothing for their potatoes from the chipping companies – even losing money having to transport the potatoes to a landfill – producers now have a new value-added project. The plant is adjacent to a large landfill in order to utilize methane gas in the potato dehydration process.

The potential for renewable energy to transform American agriculture, and for agriculture to transform the rest of the economy, is mind-boggling. Pennsylvania has created an Energy Development Authority to provide loans and grants to start-up energy companies, along with other incentive programs. We're making oil from waste coal, our first biodiesel production facility shipped its first load of fuel last week, we have several ethanol projects in development (including one that would take full advantage of Penn's Woods), we're turning manure from a waste problem threatening our water and air quality into an energy source, and windmills are popping up as our Public Utilities Commission moves closer to requiring electric companies to offer net metering. Governor Rendell has commissioned an Agricultural Renewable Energy Council to ensure that opportunities are seized upon and farmers learn how to both increase their revenues and decrease their operating costs. But, development of new power and liquid fuel plants requires a level of investment that demands a continued Federal presence. Section 9006 was one of the most innovative provisions of the 2002 farm bill, and I hope Congress will continue that momentum as well as allow the Business and Industry Loan Guarantee program to play a role.

As a State Director, I viewed the Pennsylvania Rural Development Council, which I co-chaired, as an extension of my own staff. For the average price of two full-time equivalent positions – $100,000 – I could access the combined talent, skills, and experience of dozens of professionals in every imaginable field from small town mayors and redevelopment authority directors to the consumer affairs staff of Verizon. I found the exchange extremely helpful and a good value for the Salaries & Expenses dollars invested.

In my current position, I represent the Secretary of Agriculture on the Pennsylvania Rural Development Council, and again find myself co-chairing the group. Unfortunately, this year, we expect the work plan we submit to Rural Development to garner $12,000 in support. While the Council's office space and basic needs are supplied by State funds, the shrinking Federal investment has made it nearly impossible to maintain the momentum that the Council had only a few years ago. I recognize that funding is extremely tight, and most of my statement has revolved around the need to increase program funds to meet pressing rural needs. Obviously, my first preference would be for Congress to increase funding available to state councils as well as the National Rural Development Partnership. If that just isn't possible, then I would recommend that State Directors be given the authority to contribute some of their Salaries & Expenses funds to their states' Rural Development Council. Give them the ability to trade a position or two for far more expertise than one or two new staff members could possibly provide.

Finally, while I promise that my oral statement will stay within the time allotted, I want you to know that I am absolutely passionate about these issues, and could go on all day if time allowed. As the Subcommittee moves forward with its deliberations and legislative proposals, I would be pleased to offer whatever assistance you might wish me to provide. I would happy to address any questions you might have at this point.